

EDWARD W. CLYDE
ELLIOTT LEE PRATT
RODNEY G. SNOW
STEVEN E. CLYDE
THEODORE BOYER, JR.
EDWIN C. BARNES
GARY L. PAXTON
L. MARK FERRE
NEIL A. KAPLAN*
JOHN W. ANDERSON
D. BRENT ROSE
JAMES L. WARLAUMONT
H. MIFFLIN WILLIAMS III
STEPHEN B. DOXEY
ANNELI R. SMITH

*ADMITTED IN WASHINGTON, D.C.

CLYDE, PRATT & SNOW

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

200 AMERICAN SAVINGS PLAZA
77 WEST SECOND SOUTH
SALT LAKE CITY, UTAH 84101

*Completed
DOCM
Transfer Form
w/conditions
attached and the
"revised" area
map.
Signed by
Director
also
8/4/89*

PHONE 322-2516
AREA CODE 801
TELECOPIER
(801) 322-2516 EXT 56

FILE NO.

July 11, 1989

RECEIVED
JUL 11 1989

Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF
OIL, GAS & MINING

RE: Jumbo Mining - Drum Mine Transfer of Permit

Gentlemen:

Enclosed please find the Transfer of Notice of Intention Large Mining Operations form MR-TRL, which has been executed by the transferor, Western States Minerals Corporation, and the transferee, Jumbo Mining Company.

I assume this will reach you in time to place this transfer request on the agenda for the July 27 meeting of the board. Should you have any questions regarding this, please do not hesitate to contact me.

Sincerely,

CLYDE, PRATT & SNOW, P.C.

Steven E. Clyde
Steven E. Clyde

SECjl
Enclosure
cc: Ed King

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED
JUL 11 1989

TRANSFER OF NOTICE OF INTENTION
LARGE MINING OPERATIONS

DIVISION OF
OIL, GAS & MINING

---00000---

1. (a) Notice of intention to be transferred (file number): M/027/007
(b) Name of mining operation: Drum Mine
(c) Location of mining operation (county): Millard, Juab
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):
Western States Minerals Corporation
4975 Van Gordon Street
Wheatridge, Colorado 80033
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730 512- 346-4537
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:
Same as above Mr. E.B. King
3. (a) The total disturbed area identified in the approved notice of intention: 143.7 acres original; 126 revised acres
(b) The actual number of acres disturbed by the operation through date of transfer: 126 acres
(c) Attach a legal description of above acreages as Appendix "A" and a map of suitable scale with actual disturbed areas clearly shown and identified.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC).

SWORN STATEMENT OF TRANSFEROR

I, ALLAN R. CERNY being first duly sworn under oath, deposes and says that I am SECRETARY (officer or agent) of WESTERN STATES MINERALS CORPORATION; (Corporation/Company Name) and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the said application and fully know the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief based upon the attached map and calculations forwarded to me by E. B. King of Jumbo Mining Company. By execution of this statement I certify that the Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations Promulgated thereunder, and the terms and conditions of Notice of Intention No. M/027/007.

Western States Minerals Corporation hereby makes no representation in regard to the allocation of responsibility for reclamation as between Western States Minerals Corporation and Jumbo Mining Company.

Allan R. Cerny
Signature
ALLAN R. CERNY
Name (Typed or Print)
SECRETARY - WSMC
Title

Subscribed and sworn before me this 6 day of July, 1989.

Jean Rippel
Notary Public

My commission expires:

August 2, 1991.

State of Colorado)
County of Jefferson) ss.

FINAL SWORN STATEMENT OF TRANSFeree

E.B. King being first duly sworn under oath,
depose and say that I am President
(officer or agent)
of Jumbo Mining Company; and that I am duly authorized to
(Corporation/Company Name)

execute and deliver the foregoing obligations; that I have read the
application and fully understand the contents thereof; that all statements
contained in the transfer application are true and correct to the best of my
knowledge and belief. By execution of this statement, the Transferee agrees
to be bound by the terms and conditions of Notice of Intention
No. M/027/007, the Utah Mined Land Reclamation Act, and the Rules and
Regulations promulgated thereunder. **Except for those issues
of which the Division, the Dept. of Health and Transfer are on notice.*

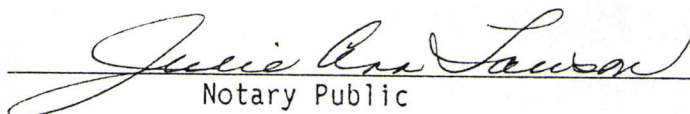


Signature

Name (Typed or Print) E.B. King

Title President

Subscribed and sworn before me this 10th day of July, 19 89.


Notary Public

My commission Expires:

February 10, 19 90.

State of Utah)
County of Salt Lake) ss.

CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant the same, subject to the following limitations and conditions:

- (a) This transfer of notice of intention grants only the right to affect the lands described in Appendix "A".
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC). The surety shall be effective on the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired legal right to mine for lands described in Appendix "A".

COMMENTS:

Additional Conditions of Transfer - See Attachment 1

APPROVED:

Donna R. Nelson
(Signature)

Director, Division of Oil, Gas and Mining

Effective Date:
NOI No.:

8/4/89

M/027/007

APPROVED AS TO FORM:

Gabriel W. Roberts
(Signature)

Assistant Attorney General

MN9/45-48

ATTACHMENT 1

Transfer of Notice of Intention No. M/027/007
Certification of Approval
Conditions of Transfer

July 25, 1989

Conditions of Transfer (continued)

- (d) The Division will continue to hold the Transferor responsible for the reclamation of approximately 42 acres of existing Drum Mine surface disturbance, as delineated in Appendix A.
- (e) The Division will hold the Transferee responsible for the reclamation of approximately 84 acres of existing Drum Mine surface disturbance, as delineated in Appendix A.
- (f) The Transferor will retain responsibility for resolving the topsoil deficiency issue.
- (g) The Transferee's 84 acre Drum Mine reclamation responsibility includes posting a reclamation surety of \$143,000, based on reclamation calculations from Appendix A information.
- (h) An additional 11 acres of surface disturbance will be approved as an amendment to the Drum Mine permit. The Transferee will provide an additional \$19,000 reclamation surety amount for the proposed amendment (Drum Mountain Project).
- (i) The Division will retain possession of the Transferor's \$264,080 reclamation surety bond, until the topsoil deficiency issue and the question of ultimate Drum Mine reclamation responsibility between the Transferor and Transferee is resolved.
- (j) Resolution of the reclamation responsibility question may ultimately require an additional adjustment to the Transferee's reclamation surety amount.

jb
MN3/52

